(d) if so, what precautions have been taken by Government?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) The Government has not taken such a decision and the Drug Policy, 1986, as modified in 1994, is in force.

(b) to (d) In view of (a) above, do not arise.

Revival package for U.P. drugs and Pharmaceuticals Ltd.

3551. SHRI DIPANKAR MUKHERJEE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether a revival package for U.P. Drugs and Pharmaceuticals Limited, envisaging total cost of Rs. 19.19 crore, is under the consideration of Government; and

(b) if so, the details of the package, including relief and concessions by banks, State Government and Government of India?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) A proposal envisaging support of Rs. 19.19 crore with the following break-up has been received from the Government of Uttar Pradesh.

	(Rs. in crore)
1. OTS with banks	8.00
2. Creditors' Settlement	2.74
3. Salaries and other dues	5.45
4. VRS for 100 employees	3.00

Control on rising drug pricing

3552. SHRI P. PRABHAKAR REDDY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that prices of almost all important drugs, especially life-saving drugs, have skyrocketted in the recent months;

(b) if so, whether Government have taken any meaningful steps to control the rising prices of drugs; if so, the details thereof;

(c) the deails of the regulatory mechanism, if any, available with Government to exercise control on drug prices; and

(d) whether Government's attention has been drawn to the news report "Pharmaceutical companies fleecing the patients", appearing in the Statesman dated 24th July, 2001 and if so, the reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Changes in the price of medicines, like other commodities, is a normal feature. For a scheduled formulation, a manufacturer is required to follow the price fixed by the Government. If the Government notifies ceiling price in case of any scheduled formulation, it has to be followed by all manufacturers. Prices of non-scheduled formulations are fixed by the manufacturers themselves. The National Pharmaceutical Pricing Authority (NPPA) nevertheless monitors the movement of prices of non-scheduled formulations and intervenes whenever necessary in the public interest.

An analysis of the prices of 206 medicines representing different therapeutic groups published in ORG- MARG for the period December, 1999 - December, 2000, shows that while the prices of 18 formulations came down, those of 86 remained unchanged. The prices of 102 formulations showed an upward trend. Of these, 43 went up by less than 5% 31 between 5 and 10%, 20 between 10 and 20% and the remaining 8 formulations by between 20 to 50%. Major factors which normally contribute to increase in prices of medicines are cost of raw materials, (active ingredients, excipients and packing materials etc.,), processing and packaging costs, cost of sales promotion, R&D cost, etc;.

(d) Yes, Sir. As per the directions of Delhi High Court, the National Pharmaceutical Pricing Authority has filed two additional affidavits explaining its mechanism of monitoring and regulating the prices of scheduled and non-scheduled formulations under the Drugs (Price Control) Order, 1995 and action taken by it in respect of the price list of generic formulations as submitted by the petitioner.

Disbursement of R and D fund for pharma industry

3553. MISS MABEL REBELLO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Finance Minister had announced a Rs. 150 crores Research and Development Fund, on per annum basis to Pharma Industries; and